1	HOUSE BILL NO. 121
2	INTRODUCED BY D. MOOD
3	BY REQUEST OF THE GOVERNOR
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5	A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TOTAL PER-ANB AND BASIC ENTITLEMENTS
6	FOR PUBLIC SCHOOLS FOR SCHOOL FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002 2001
7	ALLOWING THE MAXIMUM GENERAL FUND BUDGET OF A DISTRICT TO BE CALCULATED FROM 105
8	PERCENT OF THE BASIC ENTITLEMENT AND 105 PERCENT OF THE TOTAL PER-ANB ENTITLEMENT; FOR
9	SCHOOL FISCAL YEAR 2002, INCREASING THE BASIC ENTITLEMENT FOR AN ELEMENTARY SCHOOL
10	DISTRICT OR A K-12 SCHOOL DISTRICT ELEMENTARY PROGRAM TO \$18,818 \$19,096 \$18,818
11	\$18,966 $$18,889$ , THE BASIC ENTITLEMENT FOR A HIGH SCHOOL DISTRICT TO $$209,090$ $$212,180$
12	\$209,090 \$210,738 \$209,873, THE TOTAL PER-ANB ENTITLEMENT FOR AN ELEMENTARY SCHOOL
13	DISTRICT OR A K-12 DISTRICT ELEMENTARY PROGRAM TO \$3,819 \$3,876 \$3,819 \$3,850 \$3,834, AND
14	THE TOTAL PER-ANB ENTITLEMENT FOR A HIGH SCHOOL DISTRICT OR A K-12 DISTRICT HIGH SCHOOL
15	PROGRAM TO \$5,090 \$5,165 \$5,090 \$5,130 \$5,109; FOR SCHOOL FISCAL YEARS BEGINNING ON OR
16	AFTER JULY 1, 2002, CONTINGENTLY INCREASING THE BASIC ENTITLEMENT FOR AN ELEMENTARY
17	SCHOOL DISTRICT OR A K-12 SCHOOL DISTRICT ELEMENTARY PROGRAM TO \$19,096 \$19,669
18	\$19,096 \$19,819 \$19,244; INCREASING, THE BASIC ENTITLEMENT FOR A HIGH SCHOOL DISTRICT
19	TO <del>\$212,180 <u>\$218,545</u> <u>\$212,180</u> <u>\$220,221</u></del> \$213,819; INCREASING, THE TOTAL PER-ANE
20	ENTITLEMENT FOR AN ELEMENTARY SCHOOL DISTRICT OR A K-12 DISTRICT ELEMENTARY PROGRAM
21	TO <del>\$3,876 <u>\$3,992</u> \$3,876 <u>\$4,023 \$3,906</u>; INCREASING</del> , AND THE TOTAL PER-ANB ENTITLEMENT FOR
22	A HIGH SCHOOL DISTRICT OR A K-12 DISTRICT HIGH SCHOOL PROGRAM TO \$5,165 \$5,320 \$5,165
23	\$5,361 \$5,205; PROVIDING THAT THE INCREASES FOR SCHOOL FISCAL YEARS BEGINNING ON OR
24	AFTER JULY 1, 2002, ARE CONTINGENT ON PASSAGE OF SENATE BILL NO. 495 AND VOTER APPROVAL
25	OF AN INCREASE IN THE CIGARETTE AND TOBACCO PRODUCT TAXES IN SENATE BILL NO. 119
26	PROVIDING FOR CONTINGENCIES A CONTINGENCY BASING INCREASES FOR SCHOOL FISCAL YEARS
27	BEGINNING ON OR AFTER JULY 1, 2002, ON PASSAGE AND APPROVAL OF SENATE BILL NO. 495, AND
28	SENATE BILL NO. 390, AND REVERSIONS CAUSED BY DECLINING ENROLLMENT; PROVIDING AN
29	<u>APPROPRIATION;</u> AMENDING SECTION 20-9-306, MCA; AND PROVIDING AN AN EFFECTIVE DATE AND
30	AN <u>DATES,</u> <u>DATE AND</u> APPLICABILITY <del>DATE</del> <u>DATES, AND A CONTINGENT TERMINATION DATES DATE</u> ."



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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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- 4 SECTION 1. SECTION 20-9-306, MCA, IS AMENDED TO READ:
- "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, thefollowing definitions apply:
  - (1) "BASE" means base amount for school equity.
- 8 (2) "BASE aid" means:
- 9 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement 10 for the general fund budget of a district; and
- 11 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic 12 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a 13 district, and up to 40% of the special education allowable cost payment.
- 14 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of 15 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education 16 allowable cost payment.
- 17 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which 18 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 19 through 20-9-369.
  - (5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.
- 25 (6) "Basic entitlement" means:
- 26 (a) \$206,000 \$209,090 \$212,180 \$209,090 \$210,738 \$209,873 for each high school district;
- (b) \$18,540 \$18,818 \$19,096 \$18,818 \$18,966 \$18,889 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and
- 30 (c) the prorated entitlement for each elementary school district or K-12 district elementary program



- 1 with an approved and accredited junior high school or middle school, calculated as follows:
- 2 (i) \$18,540 \$18,818 \$19,096 \$18,818 \$18,966 \$18,889 times the ratio of the ANB for 3 kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus
- 4 (ii) \$206,000 \$209,090 \$212,180 \$209,090 \$210,738 \$209,873 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.
  - (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.
- 8 (8) "Maximum general fund budget" means a district's general fund budget amount calculated
  9 from 105% of the basic entitlement for the district, 105% of the total per-ANB entitlement for the district,
  10 and up to 153% of special education allowable cost payments.
  - (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.
  - (10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations:
  - (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015 \$5,090 \$5,165 \$5,090 \$5,130 \$5,109 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;
  - (b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of \$3,763 \$3,819 \$3,876 \$3,819 \$3,850 \$3,834 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
  - (c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:
- (i) a maximum rate of \$3,763 \$3,819 \$3,876 \$3,819 \$3,850 \$3,834 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
  - (ii) a maximum rate of \$5,015 \$5,090 \$5,165 \$5,090 \$5,130 \$5,109 for the first ANB for grades



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7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th 2 ANB." 3 4 5 Section 2. Section 20-9-306, MCA, is amended to read: "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the 6 7 following definitions apply: (1) "BASE" means base amount for school equity. 8 (2) "BASE aid" means: 10 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district; and 12 <del>(b) quaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic</del> 13 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and up to 40% of the special education allowable cost payment. 14 15 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education 16 17 allowable cost payment. 18 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which 19 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369. 20 (5) "BASE funding program" means the state program for the equitable distribution of the state's 21 22 share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 23 24 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321. 25 26 (6) "Basic entitlement" means: (a) \$206,000 <u>\$212,180</u> <u>\$218,545 \$212,180</u> for each high school district; 27 (b) \$18,540 \$19,096 \$19,669 \$19,096 for each elementary school district or K-12 district 28 29 elementary program without an approved and accredited junior high school or middle school; and

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<del>(c) the prorated entitlement for each elementary school district or K-12 district elementary program</del>

with an approved and accredited junior high school or middle school, calculated as follows: (i) \$18,540 \$19,096 \$19,669 \$19,096 times the ratio of the ANB for kindergarten through grade 2 6 to the total ANB of kindergarten through grade 8; plus 3 (ii) \$206,000 \$212,180 \$218,545 \$212,180 times the ratio of the ANB for grades 7 and 8 to the 4 total ANB of kindergarten through grade 8. 5 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB 6 7 entitlement for the general fund budget of a district and funded with state and county equalization aid. (8) "Maximum general fund budget" means a district's general fund budget amount calculated 8 9 from 105% of the basic entitlement for the district, 105% of the total per-ANB entitlement for the district, 10 and up to 153% of special education allowable cost payments. 11 <del>(9) "Over-BASE budget levy" means the district levy in support of any general fund amount</del> budgeted that is above the BASE budget and below the maximum general fund budget for a district. 12 13 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following 14 calculations: 15 (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015 \$5,165 \$5,320 \$5,165 for the first ANB is decreased at the rate of 50 cents per ANB for each additional 16 ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of 17 18 entitlement as the 800th ANB; 19 (b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of \$3,763 \$3,876 \$3,763 for the first 20 21 ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 22 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; 23 and 24 (c) for an elementary school district or a K-12 district elementary program with an approved and 25 accredited junior high school or middle school, the sum of: 26 <del>(i) a maximum rate of \$3,763 <u>\$3,876</u> \$3,992 \$3,876</del> for the first ANB for kindergarten through 27 grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with 28 each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and 29 (ii) a maximum rate of \$5,015 <u>\$5,165</u> <u>\$5,320 \$5,165</u> for the first ANB for grades 7 and 8 is 30 decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800



ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB." 2 Section 3. Section 20-9-306, MCA, is amended to read: 3 "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the 4 following definitions apply: 5 (1) "BASE" means base amount for school equity. 6 7 (2) "BASE aid" means: <del>(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement (a) of the total per-A</del> 8 for the general fund budget of a district; and 10 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic 11 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a 12 district, and up to 40% of the special education allowable cost payment. (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of 13 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education 14 15 allowable cost payment. — (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which 16 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 17 18 through 20-9-369. 19 (5) "BASE funding program" means the state program for the equitable distribution of the state's 20 share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 21 22 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321. 23 24 (6) "Basic entitlement" means: (a) \$206,000 \$212,180 for each high school district; 25 (b) \$18,540 \$19,096 for each elementary school district or K-12 district elementary program 26 without an approved and accredited junior high school or middle school; and 27 28 (c) the prorated entitlement for each elementary school district or K-12 district elementary program 29 with an approved and accredited junior high school or middle school, calculated as follows: 30 <del>(i) \$18,540 \$19,096 times the ratio of the ANB for kindergarten through grade 6 to the total ANB (</del>



1	of kindergarten through grade 8; plus
2	(ii) \$206,000 \$212,180 times the ratio of the ANB for grades 7 and 8 to the total ANB of
3	kindergarten through grade 8.
4	(7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB
5	entitlement for the general fund budget of a district and funded with state and county equalization aid.
6	(8) "Maximum general fund budget" means a district's general fund budget amount calculated
7	from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153%
8	of special education allowable cost payments.
9	(9) "Over-BASE budget levy" means the district levy in support of any general fund amount
10	budgeted that is above the BASE budget and below the maximum general fund budget for a district.
11	(10) "Total per-ANB entitlement" means the district entitlement resulting from the following
12	<del>calculations:</del>
13	(a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015
14	\$5,165 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the
15	district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement
16	as the 800th ANB;
17	(b) for an elementary school district or a K-12 district elementary program without an approved
18	and accredited junior high school or middle school, a maximum rate of \$3,763 \$3,876 for the first ANB
19	is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000
20	ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB;
21	<del>and</del>
22	(c) for an elementary school district or a K-12 district elementary program with an approved and
23	accredited junior high school or middle school, the sum of:
24	(i) a maximum rate of \$3,763 <u>\$3,876</u> for the first ANB for kindergarten through grade 6 is
25	decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB
26	in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
27	(ii) a maximum rate of \$5,015 <u>\$5,165</u> for the first ANB for grades 7 and 8 is decreased at the rate
28	of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in
29	excess of 800 receiving the same amount of entitlement as the 800th ANB."



NEW SECTION. Section 4. Appropriation. There is appropriated \$13,230,068 from the general 1 2 FUND TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR THE FISCAL YEAR BEGINNING JULY 1, 2002. 3 NEW SECTION. Section 2. Coordination instruction. If Senate Bill No. 495 is passed and 4 APPROVED AND IT SENATE BILL NO. 119 IS APPROVED BY THE ELECTORATE, THEN SECTION 20-9-306, MCA, MUST READ 5 AS FOLLOWS: 6 7 "Section 2. Section 20-9-306, MCA, is amended to read: "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the 8 9 following definitions apply: (1) "BASE" means base amount for school equity. 10 (2) "BASE aid" means: (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement 12 13 for the general fund budget of a district; and (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic 14 15 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and up to 40% of the special education allowable cost payment. 16 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of 17 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education 18 19 allowable cost payment. — (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which 20 21 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 22 through 20-9-369. (5) "BASE funding program" means the state program for the equitable distribution of the state's 23 24 share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 25 26 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as 27 provided in 20-9-321. (6) "Basic entitlement" means: 28 29 (a) \$206,000 \$220,221 for each high school district; (b) \$18,540 \$19,819 for each elementary school district or K-12 district elementary program 30

1	without an approved and accredited junior high school or middle school; and
2	(c) the prorated entitlement for each elementary school district or K-12 district elementary program
3	with an approved and accredited junior high school or middle school, calculated as follows:
4	(i) \$18,540 <u>\$19,819</u> times the ratio of the ANB for kindergarten through grade 6 to the total ANB
5	of kindergarten through grade 8; plus
6	(ii) \$206,000 \$220,221 times the ratio of the ANB for grades 7 and 8 to the total ANB of
7	kindergarten through grade 8.
8	(7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB
9	entitlement for the general fund budget of a district and funded with state and county equalization aid.
10	(8) "Maximum general fund budget" means a district's general fund budget amount calculated
11	from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153%
12	of special education allowable cost payments.
13	(9) "Over-BASE budget levy" means the district levy in support of any general fund amount
14	budgeted that is above the BASE budget and below the maximum general fund budget for a district.
15	(10) "Total per-ANB entitlement" means the district entitlement resulting from the following
16	<del>calculations:</del>
17	(a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015
18	\$5,361 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the
19	district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement
20	as the 800th ANB;
21	(b) for an elementary school district or a K-12 district elementary program without an approved
22	and accredited junior high school or middle school, a maximum rate of \$3,763 \$4,023 for the first ANB
23	is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000
24	ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB;
25	and and
26	(c) for an elementary school district or a K-12 district elementary program with an approved and
27	accredited junior high school or middle school, the sum of:
28	(i) a maximum rate of \$3,763 \$4,023 for the first ANB for kindergarten through grade 6 is
29	decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB
30	in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and



(ii) a maximum rate of \$5,015 <u>\$5,361</u> for the first ANB for grades 7 and 8 is decreased at the rate 2 of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB." 3 4 5 NEW SECTION. Section 3. Effective date DATES -- applicability. (1) [Section 1] is [Sections 1, 4, AND 6 4 AND THIS SECTION] ARE OFFICE SUIT OF AND APPROVAL, AND SECTION 1. 6 7 applies to school budgets for school fiscal years beginning on or after July 1, 2002 2001. (2) [Section 2] If Senate Bill No. 495 is passed and approved and if Senate Bill No. 119 is approved 8 9 BY THE ELECTORATE, THEN THE AMENDMENT TO 20-9-306 CONTAINED IN [SECTION 2 OF THIS ACT] IS EFFECTIVE JULY 10 1, 2002, AND APPLIES TO SCHOOL BUDGETS FOR SCHOOL FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002. 11 (3) [Section 3] is effective July 1, 2003, and applies to school budgets for school fiscal years 12 BEGINNING ON OR AFTER JULY 1, 2003. 13 (4) [Section 4] is effective July 1, 2001. 14 15 NEW SECTION. Section 4. Termination dates date -- contingency. (1) [Section 1] If Senate Bill 16 No. 495 is passed and approved and if Senate Bill No. 119 is approved by the electorate, [section 1] TERMINATES JUNE 30, 2002. 17 18 (2) [Section 2] TERMINATES JUNE 30, 2003. 19 20 NEW SECTION. Section 2. Coordination instruction. (1) If Senate Bill No. 495 is passed and 21 APPROVED AND IS NOT ENJOINED OR DETERMINED TO BE UNCONSTITUTIONAL BY JULY APRIL 1, 2002, AND IF SENATE 22 BILL NO. 390 IS PASSED AND APPROVED, AND IF REVERSIONS CAUSED BY DECLINING ENROLLMENTS OCCUR, THEN SECTION 23 20-9-306, MCA, MUST READ AS FOLLOWS: 24 "Section 2. Section 20-9-306, MCA, is amended to read: "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the 25 26 following definitions apply: 27 (1) "BASE" means base amount for school equity. 28 (2) "BASE aid" means: 29 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement 30 for the general fund budget of a district; and

1 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic 2 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a 3 district, and up to 40% of the special education allowable cost payment.

- (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education allowable cost payment.
- (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.
- (5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.
  - (6) "Basic entitlement" means:

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- 16 (a) \$206,000 \$213,819 for each high school district;
- 17 (b) \$18,540 \$19,244 for each elementary school district or K-12 district elementary program
  18 without an approved and accredited junior high school or middle school; and
  - (c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows:
  - (i) \$18,540 \$19,244 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus
  - (ii) \$206,000 \$213,819 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.
  - (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.
  - (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of special education allowable cost payments.
- 30 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount



1 budgeted that is above the BASE budget and below the maximum general fund budget for a district.

2 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following 3 calculations:

- (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015 \$5,205 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;
- (b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of \$3,763 \$3,906 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
- (c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:
- (i) a maximum rate of \$3,763 \$3,906 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
  - (ii) a maximum rate of \$5,015 \$5,205 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.""
- 21 (2) If Senate Bill No. 495 and Senate Bill No. 390 are not passed and approved, if reversions do
  22 NOT OCCUR BASED ON DECLINING ENROLLMENTS, OR IF SENATE BILL NO. 495 IS ENJOINED OR DETERMINED TO BE
  23 UNCONSTITUTIONAL BEFORE JULY 1, 2002, THEN SECTION 20-9-306, MCA, MUST READ AS FOLLOWS:
- 24 "Section 1. Section 20-9-306, MCA, is amended to read:
- 25 "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the
- 26 following definitions apply:

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- 28 (2) "BASE aid" means:
- 29 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
- 30 for the general fund budget of a district; and



(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic 2 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and up to 40% of the special education allowable cost payment. 3 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of 4 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education 5 allowable cost payment. 6 7 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 8 9 through 20-9-369. 10 (5) "BASE funding program" means the state program for the equitable distribution of the state's 11 share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 12 13 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as 14 provided in 20-9-321. 15 (6) "Basic entitlement" means: (a) \$206,000 \$209,090 for each high school district; 16 17 (b) \$18,540 \$18,818 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and 18 19 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows: 20 21 (i) \$18,540 \$18,818 times the ratio of the ANB for kindergarten through grade 6 to the total ANB 22 of kindergarten through grade 8; plus (ii) \$206,000 \$209,090 times the ratio of the ANB for grades 7 and 8 to the total ANB of 23 24 kindergarten through grade 8. 25 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB 26 entitlement for the general fund budget of a district and funded with state and county equalization aid. 27 (8) "Maximum general fund budget" means a district's general fund budget amount calculated 28 from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% 29 of special education allowable cost payments. (9) "Over-BASE budget levy" means the district levy in support of any general fund amount 30

budgeted that is above the BASE budget and below the maximum general fund budget for a district. (10) "Total per-ANB entitlement" means the district entitlement resulting from the following 2 calculations: 3 (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015 4 \$5,090 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the 5 district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement 6 7 as the 800th ANB; (b) for an elementary school district or a K-12 district elementary program without an approved 8 9 and accredited junior high school or middle school, a maximum rate of \$3,763 \$3,819 for the first ANB 10 is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 11 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; 12 and 13 (c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of: 14 15 (i) a maximum rate of \$3,763 <u>\$3,819</u> for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB 16 17 in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and 18 (ii) a maximum rate of \$5,015 <u>\$5,090</u> for the first ANB for grades 7 and 8 is decreased at the rate 19 of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB." 20 21 "Section 2. Section 20-9-306, MCA, is amended to read: 22 "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the 23 following definitions apply: 24 (1) "BASE" means base amount for school equity. (2) "BASE aid" means: 25 26 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement 27 for the general fund budget of a district; and 28 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic 29 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a 30 district, and up to 40% of the special education allowable cost payment.



-(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of 2 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education allowable cost payment. 3 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which 4 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 5 through 20-9-369. 6 7 (5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through 8 9 county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 10 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as 11 provided in 20-9-321. (6) "Basic entitlement" means: 12 13 (a) \$206,000 \$212,180 for each high school district; 14 (b) \$18,540 <u>\$19,096</u> for each elementary school district or K-12 district elementary program 15 without an approved and accredited junior high school or middle school; and (c) the prorated entitlement for each elementary school district or K-12 district elementary program 16 17 with an approved and accredited junior high school or middle school, calculated as follows: 18 (i) \$18,540 \$19,096 times the ratio of the ANB for kindergarten through grade 6 to the total ANB 19 of kindergarten through grade 8; plus (ii) \$206,000 \$212,180 times the ratio of the ANB for grades 7 and 8 to the total ANB of 20 21 kindergarten through grade 8. 22 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB 23 entitlement for the general fund budget of a district and funded with state and county equalization aid. 24 (8) "Maximum general fund budget" means a district's general fund budget amount calculated 25 from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% 26 of special education allowable cost payments. 27 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount 28 budgeted that is above the BASE budget and below the maximum general fund budget for a district. 29 <del>(10) "Total per-ANB entitlement" means the district entitlement resulting from the following (</del> calculations: 30



(a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015 \$5,165 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the 2 district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement 3 as the 800th ANB; 4 (b) for an elementary school district or a K-12 district elementary program without an approved 5 and accredited junior high school or middle school, a maximum rate of \$3,763 \$3,876 for the first ANB 6 7 is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 8 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; 9 and 10 (c) for an elementary school district or a K-12 district elementary program with an approved and 11 accredited junior high school or middle school, the sum of: 12 (i) a maximum rate of \$3,763 \$3,876 for the first ANB for kindergarten through grade 6 is 13 decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB 14 in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and 15 (ii) a maximum rate of \$5,015 \$5,165 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in 16 17 excess of 800 receiving the same amount of entitlement as the 800th ANB."" 18 (3)(2) IF SENATE BILL NO. 390 IS NOT PASSED AND APPROVED AND IF THE CONTINGENCY IN SUBSECTION (2) 19 DOES NOT OCCUR 495 IS ENJOINED OR DECLARED UNCONSTITUTIONAL BEFORE APRIL 1, 2002, THEN SECTION 20-9-306, 20 MUST READ AS FOLLOWS: 21 "Section 1. Section 20-9-306, MCA, is amended to read: 22 "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the 23 following definitions apply: 24 (1) "BASE" means base amount for school equity. (2) "BASE aid" means: 25 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement 26 27 for the general fund budget of a district; and 28 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic

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entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a

district, and up to 40% of the special education allowable cost payment.

1 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of 2 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education 3 allowable cost payment.

- 4 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which 5 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 6 through 20-9-369.
  - (5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.
- 12 (6) "Basic entitlement" means:

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- 13 (a) \$206,000 \$209,111 \$209,873 for each high school district;
- (b) \$18,540 \$18,820 \$18,889 for each elementary school district or K-12 district elementary program without an approved and accredited junior high school or middle school; and
  - (c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows:
  - (i) \$18,540 \$18,820 \$18,889 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus
  - (ii) \$206,000 \$209,111 \$209,873 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.
  - (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.
  - (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of special education allowable cost payments.
  - (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.
- 29 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following 30 calculations:



(a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015 \$5,091 \$5,109 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

- (b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of \$3,763 \$3,820 \$3,834 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
- 10 (c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:
  - (i) a maximum rate of \$3,763 \$3,820 \$3,834 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
  - (ii) a maximum rate of \$5,015 \$5,091 \$5,109 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.""
- **"Section 2**. Section 20-9-306, MCA, is amended to read:
- "20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, thefollowing definitions apply:
- 21 (1) "BASE" means base amount for school equity.
- 22 (2) "BASE aid" means:

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- 23 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement 24 for the general fund budget of a district; and
- (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and up to 40% of the special education allowable cost payment.
- 28 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of 29 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education 30 allowable cost payment.



(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.

- (5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.
- 9 (6) "Basic entitlement" means:

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- 10 (a) \$206,000 \$212,269 \$211,531 for each high school district;
- 11 (b) \$18,540 \$19,104 \$19,038 for each elementary school district or K-12 district elementary 12 program without an approved and accredited junior high school or middle school; and
  - (c) the prorated entitlement for each elementary school district or K-12 district elementary program with an approved and accredited junior high school or middle school, calculated as follows:
  - (i) \$18,540 \$19,104 \$19,038 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten through grade 8; plus
  - (ii) \$206,000 \$212,269 \$211,531 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade 8.
  - (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.
  - (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of special education allowable cost payments.
  - (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.
- 26 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations:
- (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015

  29 \$5,168 \$5,149 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB

  30 of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of

1 entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of \$3,763 \frac{\$3,878}{3,864}\$ for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

- (c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:
- 9 (i) a maximum rate of \$3,763 \$3,878 \$3,864 for the first ANB for kindergarten through grade
  10 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each
  11 ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
  - (ii) a maximum rate of \$5,015 \$5,168 \$5,149 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB."

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- NEW SECTION. Section 3. EFFECTIVE DATE -- APPLICABILITY. (1) [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL, AND [SECTION 1] APPLIES TO SCHOOL FISCAL YEARS BEGINNING JULY 1, 2001.
- 18 (2) If the contingency in [section 2(1)] occurs, [section 2(1)] applies to school fiscal years
  19 BEGINNING ON OR AFTER JULY 1, 2002.
- 20 (3) If the contingency in [section 2(2)] occurs, the first version of 20-9-306 in [section 2(2)]
  21 APPLIES TO THE SCHOOL FISCAL YEAR BEGINNING JULY 1, 2001, AND THE SECOND VERSION OF 20-9-306 IN [SECTION 2(2)]
  22 2(2)] APPLIES TO SCHOOL FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002.
- 23 (4) If the contingency in [section 2(3)] occurs, the first version of 20-9-306 in [section 2(3)]
  24 APPLIES TO THE SCHOOL FISCAL YEAR BEGINNING JULY 1, 2001, AND THE SECOND VERSION OF 20-9-306 IN [SECTION 2(3)] APPLIES TO SCHOOL FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002.

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